

Item No. 479.

The Royalty Adjustment Act of October 31, 1942 provides for the adjustment of royalties to be paid to Government contractors for the use of inventions in aid of the prosecution of the war where the rates or amounts of such royalties are believed to be unreasonable or excessive by the head of the Government agency which has ordered the use of a particular patented or unpatented invention. This law remains in effect until six months after the termination of the war. CIA concurs in the position of the Department of Justice that permanent legislation of this nature should be enacted, in view of the fact that CIA may find it necessary to utilize these provisions in order to avoid excessive charges.

RECOMMENDATION SHEET

Replying to Bureau of the Budget Letter and Memorandum dated November 8, 1951.

(PLEASE READ LETTER AND MEMORANDUM BEFORE EXECUTING)

1. Agency \_\_\_\_\_ 2. Item No. 479 ) See  
 Replying Central Intelligence Agency or ) Memo  
 U.S.Code ) Para.  
 Citation \_\_\_\_\_ ) 10

3. For this item this agency is (Indicate by "x"; see Memorandum Para. 10):  
 the Responsible Agency ( ); a Commenting Agency ( ); Other ( ☒ ).

4. Citation in full (See NOTE A and Memorandum Para. 10):

5. Digest (See NOTE A and Memorandum Para. 10):

6. Recommendation of this agency (Indicate which by "x"):  
 CONTINUE ( ☒ ); DO NOT Continue ( )  
 the authority now existing.

7. Brief justification for Congress of the recommendation in 6. if that recommendation is affirmative (See NOTE B and Memorandum Para. 10):

8. Reasons and views (The only time you need not answer here is when the justification in 7. states your views to your full satisfaction; see Memorandum Para. 10).

**CIA concurs in the position of the Department of Justice that permanent legislation should be enacted. However, care should be taken that the authority is not allowed to lapse pending enactment of permanent legislation.**

9. Suggested legislative language for continuing the authority (See NOTE B and Memorandum Para. 10):

NOTE A (Applicable to lines 4 and 5): Answers on lines 4 and 5 are required from you for this item if (a) you are the Responsible Agency for this item (whether or not you desire your authority continued) or (b) this item is not on the List of Statutes and you desire your authority continued.

NOTE B (Applicable to lines 7 and 9): Answers on lines 7 and 9 are required from you for this item if you desire your authority continued and (a) you are the Responsible Agency for this item or (b) this item is not on the List of Statutes.

To be sent to the Bureau of the Budget in DUPLICATE. For more space, see Memorandum Para. 9E